

Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 20075 Lease Serial No.  
**NMLC-028793A**6 If Indian, Allottee or Tribe Name  
N/A7 If Unit or CA Agreement, Name and No  
**NMNM - 88525X; Burch Keely Unit** [308086]8 Lease Name and Well No  
**BURCH KEELY UNIT #820H**9 API Well No.  
30-015- **39578**10. Field and Pool, or Exploratory  
**Grayburg Jackson; SR-Q-Grbg-SA** [2809]11. Sec, T, R, M or Blk and Survey or Area  
**Sec 18 T17S R30E**1a. Type of work. ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone2. Name of Operator  
**COG Operating LLC** [229137]3a. Address **550 W. Texas Ave., Suite 1300,  
Midland, TX 79701**3b. Phone No. (include area code)  
**432-685-4384**

4. Location of Well (Report location clearly and in accordance with any State requirements \*)

At surface **585' FSL & 465' FWL, Unit 4**At proposed prod zone **330' FSL & 330' FEL, Unit P**

14. Distance in miles and direction from nearest town or post office\*

**2 miles from Loco Hills, NM**

12. County or Parish

**EDDY**

13. State

**NM**15. Distance from proposed\*  
location to nearest  
property or lease line, ft  
(Also to nearest drg unit line, if any)**465'**

16. No. of acres in lease

**629.65**

17. Spacing Unit dedicated to this well

**160**18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.**100'**

19. Proposed Depth

**TVD: 4850' MD: 9055'**

20. BLM/BIA Bond No. on file

**NMB000740; NMB000215**21. Elevations (Show whether DF, KDB, RT, GL, etc)  
**3628' GL**22. Approximate date work will start\*  
**09/30/2011**23. Estimated duration  
15 days

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer

25. Signature

Name (Printed/Typed)

Date

**Kelly J. Holly****07/08/2011**

Title

**Permitting Tech**

Approved by (Signature)

**/s/ Don Peterson**

Name (Printed/Typed)

Date

**OCT - 26 2011**

Title

**FIELD MANAGER**

Office

**CARLSBAD FIELD OFFICE**Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any, are attached.**APPROVAL FOR TWO YEARS**

Title 18 USC Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

\*(Instructions on page 2)

Roswell Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVALApproval Subject to General Requirements  
& Special Stipulations Attached

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015- <b>39578</b>	Pool Code 28509	Pool Name GRAYBURG JACKSON; SR-Q-G-SA
Property Code 308086	Property Name <b>BURCH KEELY UNIT FEDERAL</b>	Well Number 820H
OGRID No. 229137	Operator Name <b>COG OPERATING, LLC</b>	Elevation 3631'

Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	18	17-S	30-E		585	SOUTH	465	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17-S	30-E		330	SOUTH	330	EAST	EDDY
Dedicated Acres <b>157.43</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1</p> <p>37.37 AC LOT 2</p> <p>37.39 AC LOT 3</p> <p>37.41 AC LOT 4</p> <p>37.43 AC</p> <p><b>Project Area</b></p> <p><b>Producing Area</b></p> <p>S.L. SEE DETAIL</p> <p>GRID AZ = 93°05'54"</p> <p>HORZ. DIST. = 4410.9'</p> <p>B.H. 330'</p> <p>330'</p> <p>3631.4'</p> <p>3634.6'</p> <p>600'</p> <p>600'</p> <p>3630.0'</p> <p>3629.9'</p> <p><b>DETAIL</b></p>	<p>SECTION, QUARTER &amp; SIXTEENTH CORNER COORDINATES</p> <p>Ⓐ - Y=666096.9, X=596505.0</p> <p>Ⓑ - Y=664776.8, X=596506.9</p> <p>Ⓒ - Y=664786.2, X=599063.8</p> <p>Ⓓ - Y=666116.7, X=601700.9</p> <p>Ⓔ - Y=664796.4, X=601705.4</p> <p>GEODETTIC COORDINATES NAD 27 NME SURFACE LOCATION Y=665363.4 N X=596971.0 E</p> <p>LAT.=32.828773° N LONG.=104.017647° W</p> <p>BOTTOM HOLE LOCATION Y=665125.0 N X=601374.4 E</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Robyn Odom</i> 8/19/2011 Signature Date</p> <p>Robyn Odom Printed Name</p> <p>Rodom@concho.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 13, 2011</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i></p> <p>NEW MEXICO 3239</p> <p>Certificate Number... Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>LA</p>
---	--	--

ATTACHMENT TO FORM 3160-3  
COG Operating, LLC  
Burch Keely Unit Federal #820H  
SHL: 585' FSL & 465' FWL, Unit 4  
BHL: 330' FSL & 330' FEL, Unit P  
Sec 18, T17S, R30E  
Eddy County, NM

1. Proration Unit Spacing: 160 Acres
2. Ground Elevation: 3631'
3. Proposed Depths: Horizontal TVD = 4,850', MD = 9,055'
4. Estimated tops of geological markers:

Quaternary	Surface
Rustler	284'
Top of Salt	500'
Base of Salt	1000'
Yates	1250'
Seven Rivers	1475'
Queen	2150'
Grayburg	2550'
San Andres	2875'
Glorieta	4300'
Paddock	4400'
Blinberry	4800'
Tubb	5900'

5. Possible mineral bearing formations:

Water Sand	150'	Fresh Water
Grayburg	2550'	Oil/Gas
San Andres	2875'	Oil/Gas
Glorieta	4300'	Oil/Gas
Paddock	4400'	Oil/Gas
Blinebry	4800'	Oil/Gas
Tubb	5900'	Oil/Gas

*See  
COA*

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 450' and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 9 5/8" casing to 1350' and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing (although cement volume is actually calculated to surface), to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or environment.

*See  
COA*

ATTACHMENT TO FORM 3160-3  
COG Operating, LLC  
Burch Keely Unit Federal #820H  
Page 2 of 4

6. Casing Program - Proposed

<u>Hole size</u>	<u>Interval</u>	<u>OD of Casing</u>	<u>Weight</u>	<u>Cond.</u>	<u>Collar</u>	<u>Grade</u>
17-1/2"	0' - +/- 450' <sup>275</sup>	13-3/8"	48#	New	STC	H-40 or J/K-55
Collapse sf - 3.87, Burst sf - 8.70, Tension sf - 14.91						
12-1/4"	0' - +/- 1350' <sup>1175</sup>	9-5/8"	36#	New	STC	J/K-55
Collapse sf - 2.88, Burst sf - 5.01, Tension sf - 8.11						
8-3/4"	0' - 9055'	5-1/2"	17#	New	LTC	L-80
Collapse sf - 2.74, Burst sf - 3.37, Tension sf - 4.22						

7. Cement Program

**13 3/8" Surface Csg:** Set at +/- 450'MD, Lead Slurry: 450sx Class "C" w/ 2% CaCl<sub>2</sub> & .25 pps CF, 1.32 yield. 90% excess, calculated to surface.

**9 5/8" Intrmd. Csg:** Set at +/- 1350'MD. **Single Stage:** Lead Slurry: 300 sx 50:50:10:C:Poz:Gel w/ 5% salt, 5 pps LCM-1 .25 pps CF, 2.45 yield. Tail Slurry: 200 sx Class "C" w/ 2% CaCl<sub>2</sub>, 1.32 yield. 194% excess, calculated to surface.

**Multi Stage:** **Stage 1:** 200 sx Class "C" w/ 2% CaCl<sub>2</sub>, 1.32 yield. 194% excess. **Stage 2:** 300 sx 50:50:10:C:Poz:Gel w/ 5% salt, 5 pps LCM-1 .25 pps CF, 2.45 yield, back to surface, 176% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 500' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

**5 1/2" Production Csg:** Set at +/- 9,055'MD. **Single Stage:** Lead Slurry: 500 sx 35:65:6:C:Poz:Gel w/ 5% salt, 5 pps LCM, .2% SMS, .3% FL-52A, .125 pps CF, 2.01 yd. Inter. Slurry: 400 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield Tail Slurry: 450 sx Class "H" SOLUCEM-H w/ .7% HR-601, 2.62 yield 22% excess in open hole, calculated to surface. **This is a minimum volume and will be adjusted up after caliper is run.**

**Multi Stage:** **Stage 1:** (Assumed TD of 9055'MD to DV at 2900') Lead Slurry: 400 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield Tail Slurry: 450 sx Class "H" SOLUCEM-H w/ .7% HR-601, 2.62 yield; 11% excess. **This is a minimum volume and will be adjusted up after caliper is run.** **Stage 2:** Lead Slurry: 400 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield. Tail Slurry: 250 sx Class C w/ 0.3% R-3 + 1.5% CD-32, 1.02 yield. 12% excess calculated back to surface (no need for excess in casing overlap). **This is a minimum volume and will be adjusted up after caliper is run.**

Multi stage tool to be set at approximately, depending on hole conditions, 2900'. Cement volumes will be adjusted proportionately for depth changes of multi stage tool; assumption for use of tool is water flow.

ATTACHMENT TO FORM 3160-3  
COG Operating, LLC  
Burch Keely Unit Federal #820H  
Page 3 of 4

8. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. A 13-5/8" will be used during the drilling of the well. The BOP will be nipped up on the 13 3/8" surface casing with BOP equipment and tested to 2000 psi. After setting 9-5/8" the BOP will then be nipped up on the 9-5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

9. Proposed Mud Circulating System

Interval	Mud Wt.	Visc.	FL	Type Mud System
0' - 450' 275	8.5	28	NC	Fresh water native mud w/ paper for seepage and sweeps. Lime for PH.
450' - 1350' 175	10	30	NC	Brine mud, lime for PH and paper for seepage and sweeps.
1350' - 9055'	9.1	29	NC	Drill section with fresh water/cut brine circulating the reserve utilizing periodic sweeps of paper as needed for seepage control and solids removal.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

10. Production Hole Drilling Summary:

**Drill 8 3/4" hole and kick off at +/- 4373', building curve over +/- 750' to horizontal at 4850' TVD. Drill horizontal section in a Easterly direction for +/-3932' lateral to TD at +/-9055' MD, 4850' TVD. Run 5-1/2" production casing in Open hole lateral and cement to surface.**

11. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

ATTACHMENT TO FORM 3160-3  
COG Operating, LLC  
Burch Keely Unit Federal #8xxH  
Page 4 of 4

12. Logging, Testing and Coring Program: *See COA*

- A. No electric logging to be performed on this well.
- B. The mud logging program will consist of lagged 10' samples from intermediate casing point to T.D. in vertical pilot hole and from Kick off point to TD in Horizontal hole.
- C. Drill Stem test is not anticipated.
- D. No conventional coring is anticipated.
- E. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows and log evaluation.

13. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 90 degrees and estimated maximum bottom hole pressure is 1800 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, however an H2S plan is attached to the Drilling Program. No major loss of circulation zones has been reported in offsetting wells.

14. Anticipated Starting Date

Drilling operations will commence approximately on October 30, 2011 with drilling and completion operations lasting approximately 90 days.



## **COG Operating LLC**

Eddy County, NM (NAN27 NME)

Burch Keely Unit #820H

Burch Keely Unit #820H

OH

Plan: Plan #3 - 7-7/8" Hole

SHL = 585' FSL & 465' FWL

BHL = 330' FSL & 330' FEL

## **Standard Planning Report**

24 August, 2011





Scientific Drilling  
Planning Report



Database: EDM-Julio  
Company: COG Operating LLC  
Project: Eddy County, NM (NAN27 NME)  
Site: Burch Keely Unit #820H  
Well: Burch Keely Unit #820H  
Wellbore: OH  
Design: Plan #3 - 7-7/8" Hole

Local Co-ordinate Reference: Site Burch Keely Unit #820H  
TVD Reference: GL Elev @ 3631 00usft  
MD Reference: GL Elev @ 3631 00usft  
North Reference: Grid  
Survey Calculation Method: Minimum Curvature

Project:	Eddy County, NM (NAN27 NME)		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Burch Keely Unit #820H		
Site Position:	Northings:	665,363.40 usft	Latitude: 32° 49' 43 581 N
From: Map	Easting:	596,971 00 usft	Longitude: 104° 1' 3 528 W
Position Uncertainty:	0 00 usft	Slot Radius: 13-3/16 "	Grid Convergence: 0 17 °

Well:	Burch Keely Unit #820H		
Well Position	+N/-S	0 00 usft	Northings: 665,363 40 usft
	+E/-W	0 00 usft	Easting: 596,971 00 usft
Position Uncertainty	0 00 usft	Wellhead Elevation:	Ground Level: 3,631 00 usft

Wellbore:	OH		
Magnetics	Model Name	Sample Date	Declination
	IGRF2010	2011/08/24	7 81
			Dip Angle
			60 66
			Field Strength
			48,910

Design:	Plan #3 - 7-7/8" Hole		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0 00
Vertical Section:	Depth From (TVD)	N/S	E/W
	(usft)	(usft)	(usft)
	0 00	0 00	0 00
			Direction
			93 10

Plan Sections										
Measured Depth	Inclination	Azimuth	Vertical Depth	N/S	E/W	Dogleg Rate	Build Rate	Turn Rate	TFO	Target
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)	(°)	
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
4,372 54	0 00	0 00	4,372 54	0 00	0 00	0 00	0 00	0 00	0 00	
5,122.54	90 00	93 10	4,850 00	-25 81	476 77	12 00	12 00	0 00	93 10	
9,054 92	90 00	93 10	4,850 00	-238 40	4,403 40	0 00	0 00	0 00	0 00	PBHL-BK #820H





Scientific Drilling  
Planning Report



Database: EDM-Julio  
Company: COG Operating LLC  
Project: Eddy County, NM (NAN27 NME)  
Site: Burch Keely Unit #820H  
Well: Burch Keely Unit #820H  
Wellbore: OH  
Design: Plan #3 - 7-7/8" Hole

Local Co-ordinate Reference:  
TVD Reference:  
MD Reference:  
North Reference:  
Survey Calculation Method:  
Site Burch Keely Unit #820H  
GL Elev @ 3631.00usft  
GL Elev @ 3631.00usft  
Grid  
Minimum Curvature

Planned Survey:

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	N/S (usft)	E/W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
4,372.54	0 00	0 00	4,372.54	0 00	0 00	0 00	0 00	0 00	0 00
KOP Start Build 12.00°/100'									
4,400.00	3 30	93 10	4,399.98	-0.04	0.79	0.79	12.00	12.00	0.00
4,500.00	15 30	93 10	4,498.49	-0.91	16.89	16.91	12.00	12.00	0.00
4,600.00	27 30	93 10	4,591.49	-2.87	53.09	53.17	12.00	12.00	0.00
4,700.00	39 30	93 10	4,674.93	-5.84	107.80	107.96	12.00	12.00	0.00
4,800.00	51 30	93 10	4,745.14	-9.67	178.64	178.91	12.00	12.00	0.00
4,900.00	63 30	93 10	4,799.07	-14.21	262.51	262.90	12.00	12.00	0.00
5,000.00	75 30	93 10	4,834.36	-19.26	355.75	356.27	12.00	12.00	0.00
5,100.00	87 30	93 10	4,849.47	-24.59	454.27	454.94	12.00	12.00	0.00
5,122.54	90 00	93 10	4,850.00	-25.81	476.77	477.47	12.00	12.00	0.00
EOC hold 90.00°									
5,200.00	90 00	93 10	4,850.00	-30.00	554.12	554.93	0.00	0.00	0.00
5,300.00	90 00	93 10	4,850.00	-35.41	653.97	654.93	0.00	0.00	0.00
5,400.00	90 00	93 10	4,850.00	-40.81	753.83	754.93	0.00	0.00	0.00
5,500.00	90 00	93 10	4,850.00	-46.22	853.68	854.93	0.00	0.00	0.00
5,600.00	90 00	93 10	4,850.00	-51.62	953.53	954.93	0.00	0.00	0.00
5,700.00	90 00	93 10	4,850.00	-57.03	1,053.39	1,054.93	0.00	0.00	0.00
5,800.00	90 00	93 10	4,850.00	-62.44	1,153.24	1,154.93	0.00	0.00	0.00
5,900.00	90 00	93 10	4,850.00	-67.84	1,253.09	1,254.93	0.00	0.00	0.00
6,000.00	90 00	93 10	4,850.00	-73.25	1,352.95	1,354.93	0.00	0.00	0.00
6,100.00	90 00	93 10	4,850.00	-78.65	1,452.80	1,454.93	0.00	0.00	0.00
6,200.00	90 00	93 10	4,850.00	-84.06	1,552.66	1,554.93	0.00	0.00	0.00
6,300.00	90 00	93 10	4,850.00	-89.47	1,652.51	1,654.93	0.00	0.00	0.00
6,400.00	90 00	93 10	4,850.00	-94.87	1,752.36	1,754.93	0.00	0.00	0.00
6,500.00	90 00	93 10	4,850.00	-100.28	1,852.22	1,854.93	0.00	0.00	0.00
6,600.00	90 00	93 10	4,850.00	-105.69	1,952.07	1,954.93	0.00	0.00	0.00
6,700.00	90 00	93 10	4,850.00	-111.09	2,051.92	2,054.93	0.00	0.00	0.00
6,800.00	90 00	93 10	4,850.00	-116.50	2,151.78	2,154.93	0.00	0.00	0.00
6,900.00	90 00	93 10	4,850.00	-121.90	2,251.63	2,254.93	0.00	0.00	0.00
7,000.00	90 00	93 10	4,850.00	-127.31	2,351.49	2,354.93	0.00	0.00	0.00
7,100.00	90 00	93 10	4,850.00	-132.72	2,451.34	2,454.93	0.00	0.00	0.00
7,200.00	90 00	93 10	4,850.00	-138.12	2,551.19	2,554.93	0.00	0.00	0.00
7,300.00	90 00	93 10	4,850.00	-143.53	2,651.05	2,654.93	0.00	0.00	0.00
7,400.00	90 00	93 10	4,850.00	-148.93	2,750.90	2,754.93	0.00	0.00	0.00
7,500.00	90 00	93 10	4,850.00	-154.34	2,850.75	2,854.93	0.00	0.00	0.00
7,600.00	90 00	93 10	4,850.00	-159.75	2,950.61	2,954.93	0.00	0.00	0.00
7,700.00	90 00	93 10	4,850.00	-165.15	3,050.46	3,054.93	0.00	0.00	0.00
7,800.00	90 00	93 10	4,850.00	-170.56	3,150.32	3,154.93	0.00	0.00	0.00
7,900.00	90 00	93 10	4,850.00	-175.96	3,250.17	3,254.93	0.00	0.00	0.00
8,000.00	90 00	93 10	4,850.00	-181.37	3,350.02	3,354.93	0.00	0.00	0.00
8,100.00	90 00	93 10	4,850.00	-186.78	3,449.88	3,454.93	0.00	0.00	0.00
8,200.00	90 00	93 10	4,850.00	-192.18	3,549.73	3,554.93	0.00	0.00	0.00
8,300.00	90 00	93 10	4,850.00	-197.59	3,649.58	3,654.93	0.00	0.00	0.00
8,400.00	90 00	93 10	4,850.00	-202.99	3,749.44	3,754.93	0.00	0.00	0.00
8,500.00	90 00	93 10	4,850.00	-208.40	3,849.29	3,854.93	0.00	0.00	0.00
8,600.00	90 00	93 10	4,850.00	-213.81	3,949.15	3,954.93	0.00	0.00	0.00
8,700.00	90 00	93 10	4,850.00	-219.21	4,049.00	4,054.93	0.00	0.00	0.00
8,800.00	90 00	93 10	4,850.00	-224.62	4,148.85	4,154.93	0.00	0.00	0.00
8,900.00	90 00	93 10	4,850.00	-230.02	4,248.71	4,254.93	0.00	0.00	0.00
9,000.00	90 00	93 10	4,850.00	-235.43	4,348.56	4,354.93	0.00	0.00	0.00
9,054.92	90 00	93 10	4,850.00	-238.40	4,403.40	4,409.85	0.00	0.00	0.00



Scientific Drilling  
Planning Report



Database: EDM-Julio  
Company: COG Operating LLC  
Project: Eddy County, NM (NAN27 NME)  
Site: Burch Keely Unit #820H  
Well: Burch Keely Unit #820H  
Wellbore: OH  
Design: Plan #3 - 7-7/8" Hole

Local Co-ordinate Reference:  
TVD Reference:  
MD Reference:  
North Reference:  
Survey Calculation Method:

Site Burch Keely Unit #820H  
GL Elev @ 3631 00usft  
GL Elev @ 3631 00usft  
Grid  
Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
PBHL-BK #820H									

Design Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL-BK #820H	- plan hits target center - Point	0 00	0 01	4,850 00	-238 40	4,403 40	665,125 00	601,374 40	32° 49' 41 089 N	104° 0' 11 930 W

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	+E/-W (usft)	Comment
4,372 54	4,372 54	0 00	0 00	KOP Start Build 12 00°/100'
5,122 54	4,850 00	-25 81	476 77	EOC hold 90 00°



Scientific Drilling for COG Operating LLC  
Site: Eddy County, NM (NAN27 NME)  
Well: Burch Keely Unit #820H  
Wellbore: OH  
Design: Plan #3 - 7-7/8" Hole



#### SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4372.54	0.00	0.00	4372.54	0.00	0.00	0.00	0.00	0.00	
3	5122.54	90.00	93.10	4850.00	-25.81	476.77	12.00	93.10	477.46	
4	9054.92	90.00	93.10	4850.00	-238.40	4403.40	0.00	0.00	4409.85	PBHL-BK #820H

Plan: Plan #3 - 7-7/8" Hole (Burch Keely Unit #820H/OH)

Created By: Julio Pina

Date: 24-Aug-11

Checked: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed: \_\_\_\_\_

Date: \_\_\_\_\_

#### WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL-BK #820H	4850.00	-238.40	4403.40	665125.00	601374.40	32°49'41.089 N	104°0'11.930 W	Point

#### WELL DETAILS: Burch Keely Unit #820H

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	665363.40	596971.00	32°49'43.581 N	104°1'13.528 W

PROJECT DETAILS: Eddy County, NM (NAN27 NME)

Geodetic System: US State Plane 1927 (Exact solution)

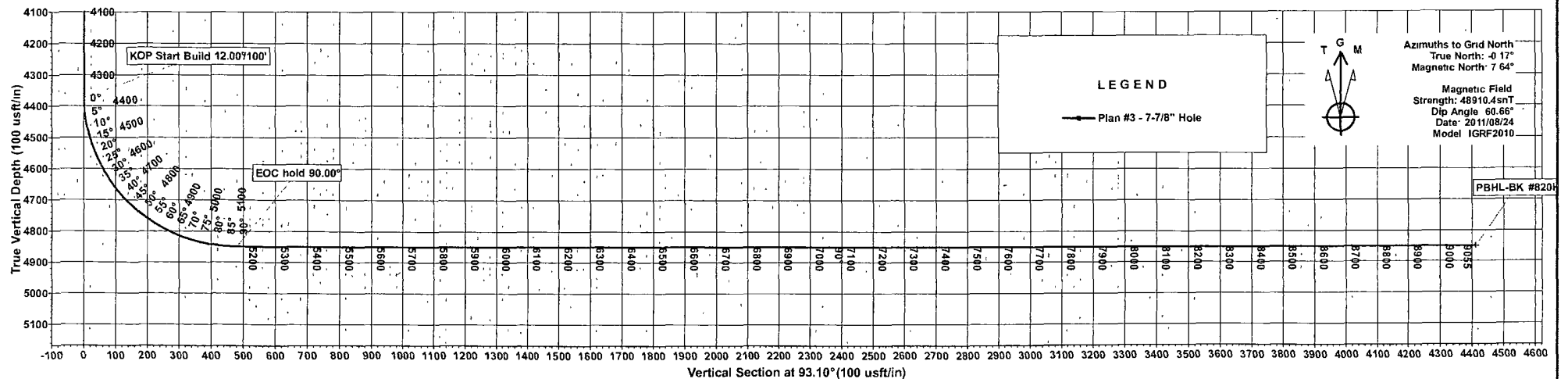
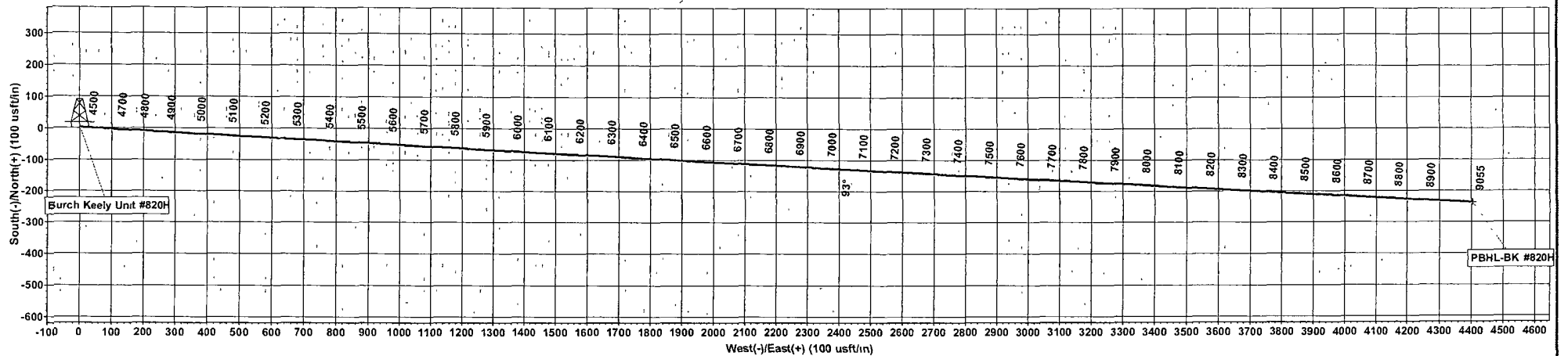
Datum: NAD 1927 (NADCON CONUS)

Ellipsoid: Clarke 1866

Zone: New Mexico East 3001

System Datum: Mean Sea Level

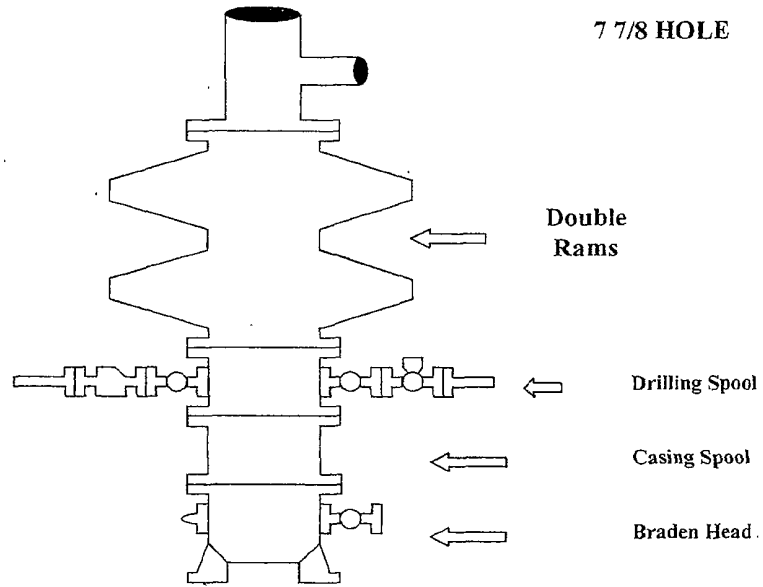
**AZIMUTH CORRECTIONS**  
ALL AZIMUTHS MUST BE CORRECTED TO GRID  
GRID CORRECTIONS MUST BE APPLIED BEFORE PLOTTING  
To convert a Magnetic Direction to a Grid Direction, Add 7.64°  
To convert a True Direction to a Grid Direction, Subtract 0.17°



# COG Operating LLC

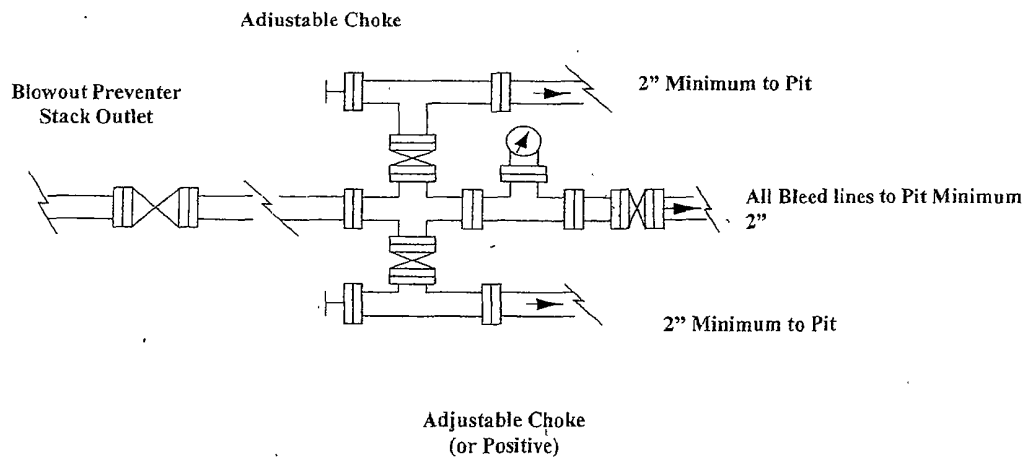
## Exhibit #9

### BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

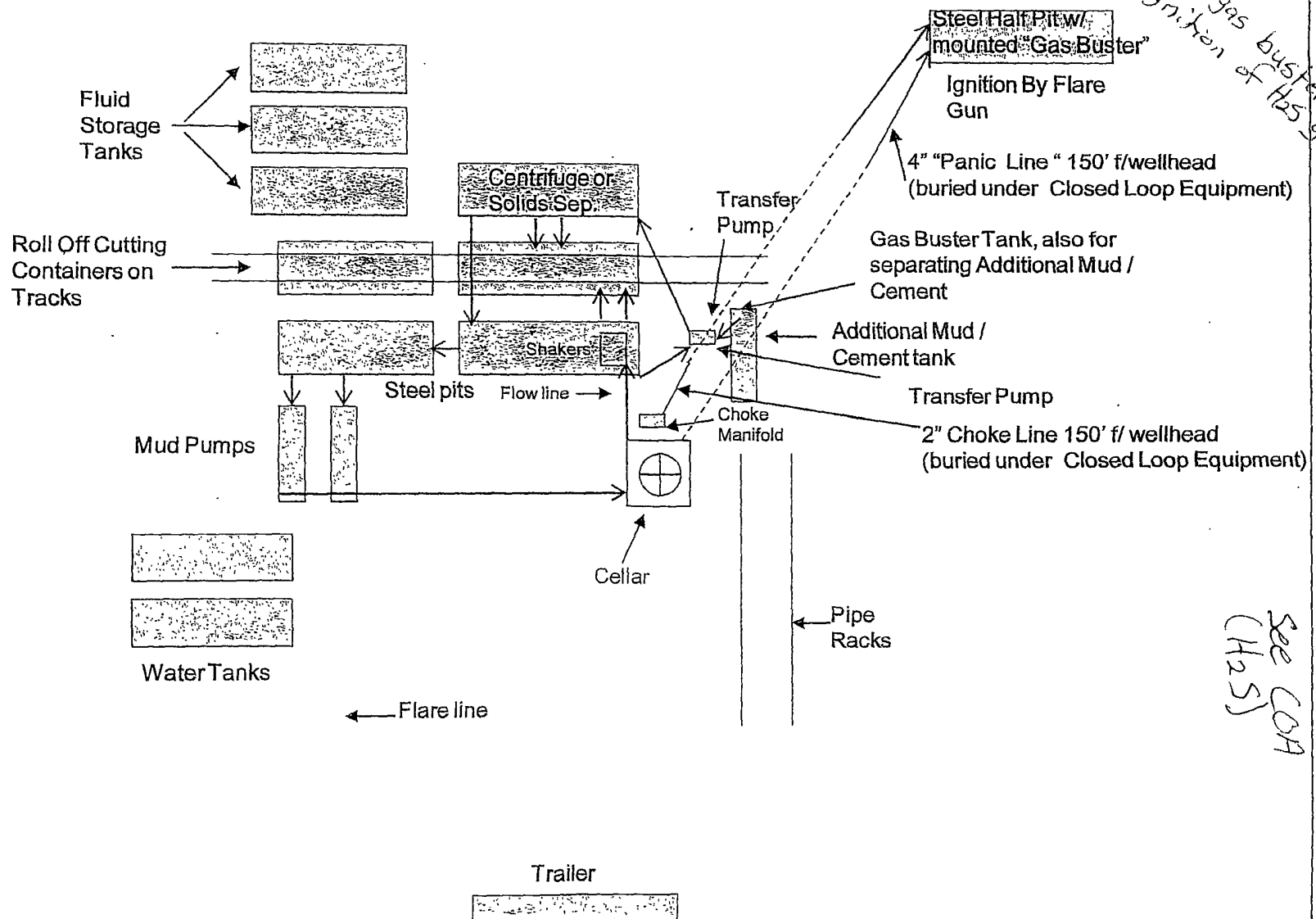
Choke Manifold Requirement (2000 psi WP)  
No Annular Required



**NOTES REGARDING THE BLOWOUT PREVENTERS**  
**Master Drilling Plan**  
**Eddy County, New Mexico**

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on Kelly.
9. Extension wrenches and hands wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

COG Operating LLC  
Closed Loop Equipment Diagram



## Closed Loop Operation & Maintenance Procedure

All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.

Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

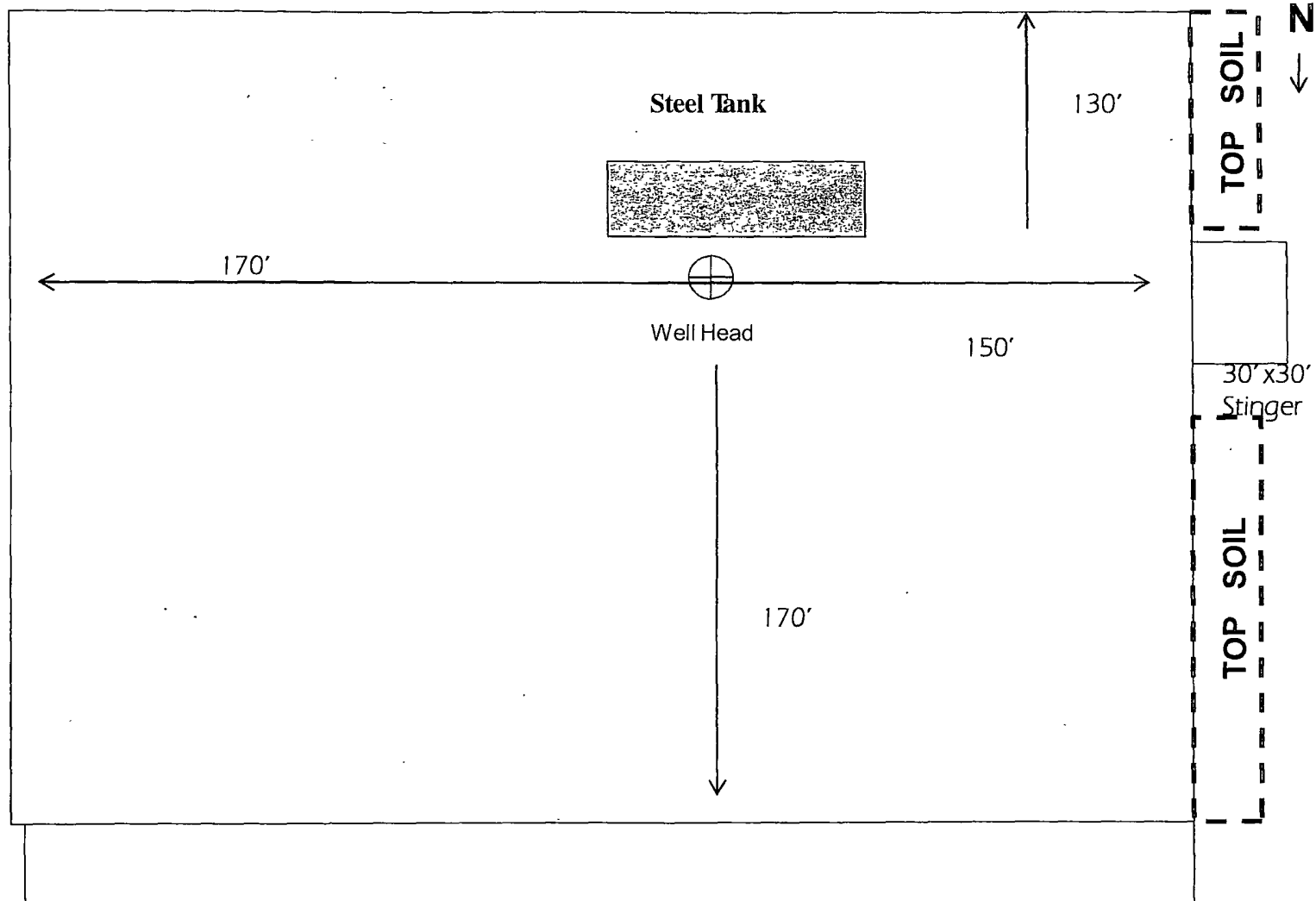
Cuttings will be hauled to either:

CRI (permit number R9166)

or

GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.



**Exhibit #6**

BKU #354 location  
to be used for road access

Not To Scale

COG OPERATING LLC  
Rig Layout - Closed Loop  
System BKU #820H